



J. TYLER McCaULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 626-5427

February 9, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **ECONOMIC AND EMPLOYMENT DEVELOPMENT CENTER  
CONTRACT REVIEW**

We have completed a contract compliance review of the Economic and Employment Development Center (EEDC), a Refugee Immigrant Training and Employment Program (RITE) service provider. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

**Background**

The Department of Community and Senior Services (DCSS) contracts with EEDC, a private, non-profit, community-based organization, to provide job training services to Vietnamese, Chinese, Russian and Armenian speaking CalWORKS recipients who have resided in the United States over five years. The types of services provided by EEDC include job readiness training, career planning services and job placement. EEDC's offices are located in the Third and Fifth Districts.

DCSS pays EEDC a fixed fee for each type of service based on budgeted program costs and anticipated service levels. For Fiscal Year 2002-03, DCSS paid EEDC approximately \$550,000.

**Purpose/Methodology**

The purpose of the review was to determine whether EEDC was providing the services outlined in their County contract and maintaining proposed staffing levels. We also attempted to review EEDC's ability to achieve planned service levels. However, DCSS was unable to provide the projected service levels used to allocate funding to EEDC.

Our monitoring visit included a review of EEDC's billing statements, participant case files, personnel and payroll records, and interviews with EEDC staff, program participants and participant employers.

### **Results of Review**

The areas of non-compliance noted in our review are significant and indicate that EEDC has limited capacity to comply with DCSS' contract. As noted below, DCSS is paying for services that EEDC is not providing, required documentation is missing from case files, and five of seven EEDC staff who do not meet DCSS' educational, work experience, and language requirements. We recommend that DCSS terminate its contract with EEDC.

### **Over Billing/Supporting Documentation**

Our review of 28 case files and interviews with the program participants and employers disclosed that EEDC overstated 7 (35%) of the 20 employment outcomes (part-time employment, full-time employment, upgrade from part-time to full-time employment, and upgrading participants to a self-sufficient level of income), which resulted in EEDC over billing DCSS \$2,500 out of the total \$6,300 sampled.

Examples of over billings include billing for placing participants in full-time jobs when the participants were already employed full-time with the same employer, billing for placing participants at jobs with employers that inappropriately paid the participants a fixed amount regardless of the hours they worked, and billing for upgrading a participant from part-time to full-time when the participant still works part-time. We also noted that EEDC billed for services provided to two individuals that the GAIN Employment Activity and Reporting System (GEARS) reported as ineligible to receive program services. The services provided to these individuals amounted to approximately \$1,000 of the \$6,865 sampled.

EEDC also does not maintain required documentation to support the outcomes reported. We noted 8 (29%) of the 28 case files did not contain documentation to support the outcomes reported by EEDC. The undocumented outcomes amounted to approximately \$2,300 of the \$6,865 sampled.

### **Staff Qualifications**

In addition, five (71%) of EEDC's seven Case Managers do not possess the qualifications required by DCSS' contract. Specifically, two Case Managers do not have either the necessary education or work experience and three do not possess the employment counseling experience that the contract requires. The contract also requires EEDC to ensure that RITE program services are conducted in the participant's primary language. However, we noted instances in which program participants are not receiving services in their primary language.

If DCSS does not terminate the contract with EEDC, we recommend that DCSS more closely monitor EEDC's program activity. We also recommend that EEDC management not charge DCSS for services not provided or services provided to individuals not eligible to receive program services. EEDC management also needs to maintain documentation to support each service billed. In addition, we recommended EEDC hire Case Managers that possess the education and work experiences required by DCSS' contract and are able to communicate with the participants in the participants' primary language.

### **Review of Report**

On January 15, 2004, we discussed our report with EEDC. In their attached response, EEDC disagrees with our findings and noted that the report contained many of the same findings that were reported in the original draft despite the information EEDC presented at the January 15<sup>th</sup> meeting. At our meeting with EEDC managers and staff, we discussed each of our preliminary findings and, in instances in which the contractor provided documentation to support their compliance with the contract, we eliminated those findings from the final report. We also informed EEDC which of their explanations or documentation did not support their compliance. EEDC used many of these same explanations in their response.

EEDC also commented about the Auditor-Controller's unfamiliarity with the RITE program. However, the team of monitors that reviewed EEDC's contract compliance included staff from the Auditor-Controller and the DCSS and the Department of Public Social Services. The monitoring team has extensive knowledge of the RITE program requirements and GEARS.

We thank EEDC for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

JTM:PM:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Department of Community and Senior Services  
Robert Ryans, Director  
Cynthia Banks, Chief Deputy Director  
Josie Marquez, Program Director  
Phuc Thai, Executive Director, Economic and Employment Development Center  
Violet Varona-Lukens, Executive Officer  
Public Information Office  
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT  
REFUGEE IMMIGRANT TRAINING AND EMPLOYMENT PROGRAM  
FISCAL YEAR 2003-2004  
ECONOMIC AND EMPLOYMENT DEVELOPMENT CENTER**

**BILLED SERVICES**

**Objective**

Determine whether the Economic and Employment Development Center (EEDC) accurately reported the outcomes of the program participants and that the program participants were eligible to receive services. EEDC is paid a fee for each specific outcome (gaining full-time and part-time employment, upgrading from part-time to full-time employment, earning an hourly wage to be self-sufficient, participating in job training instruction, etc.) that the program participants achieve during the billing period.

**Verification**

We selected a sample of 28 program participants and reviewed their case files for documentation to support the outcomes that EEDC reported the participants achieved in July and August 2003. The outcomes represent \$6,865 (10%) of the \$67,200 that EEDC billed the County for July and August 2003.

In addition, we interviewed 27 of the 28 program participants and 18 employers to confirm the outcomes that EEDC reported were actually achieved. We were unable to contact one program participant and three employers. We also reviewed the eligibility status of the 28 program participants on GEARS.

**Results**

Our review of the 28 case files and interviews with the program participants and employers disclosed that EEDC overstated 7 (35%) of the 20 employment outcomes (part-time employment, full-time employment, upgrade from part-time to full-time employment, and upgrading participants to a self-sufficient level of income) which resulted in EEDC over billing DCSS \$2,500 out of the total \$6,300 sampled. Specifically, we noted the following:

- One program participant that EEDC reported receiving full-time employment in July 2003 and one participant in August 2003 were already employed full-time with the same employers from five months to approximately one year prior to July 2003. In addition, one program participant that EEDC reported receiving part-time employment in July 2003, was already employed part-time with the same employer for over three years.

- One program participant that EEDC reported receiving full-time employment was not legitimately employed at the location EEDC identified. The employer paid the participant with a business check that did not report hours worked or rate of pay. The employer also did not withhold a portion of the participant's pay for federal and State income taxes and other payroll taxes (e.g., Social Security).

EEDC reported finding the program participant the full-time job at an automobile detailing business. However, the business is located in Bakersfield which requires the program participant to carpool 140 miles each way each day. According to EEDC's Case Manager, the program participant is entitled to obtain employment wherever he chooses, and that she never discussed with the participant the possibility of finding employment closer to home. In addition, EEDC authorized a transportation allowance of \$42 per month for the participant even though he was carpooling and is not entitled to receive the allowance.

- One program participant that EEDC reported being upgraded from part-time to full-time was never upgraded and is still working part-time. Both the participant and the employer confirmed the part-time status.
- One program participant that gained employment during the period was paid based on piecework (each piece they complete) rather than an hourly wage which does not qualify as a billable condition. The employer reports the number of hours the participant worked by dividing the gross amount earned (based on garment completed) by the current minimum wage of \$6.75 per hour. Based on the average hours the participant stated she works each week, the participant actually earned \$3.21 per hour.

In addition, EEDC does not maintain documentation to support the outcomes reported. We noted eight (29%) of the 28 case files did not contain complete documentation to support the outcomes reported by EEDC. For example, two of the eight cases involve billing for Case Management. Case management is an outcome that EEDC is paid \$42 per month by DCSS and involves contacting participants each month to motivate and counsel them. However, the case files did not contain documentation that indicated EEDC contacted the participants, as required by the contract. The total undocumented outcomes amounted to approximately \$2,300 of the total \$6,865 sampled.

GEARS generates a daily Alert Report that lists the names of existing program participants who have become ineligible to receive RITE services. EEDC is responsible for reviewing the Alert Report to determine if the participants listed are still eligible to receive these services. However, EEDC staff do not review the Alert Report. According to GEARS, 2 (7%) of the 28 participants sampled were ineligible to receive RITE program services. The services provided to individuals that GEARS reported as not eligible amounted to approximately \$1,000 of the total \$6,865 sampled.

EEDC management needs to not charge DCSS for services not provided or services provide to individuals not eligible to receive program services. EEDC management also needs to maintain documentation to support each service billed.

**Recommendations****EEDC management:**

- 1. Do not charge DCSS for services not provided.**
- 2. Do not charge DCSS for services provide to individuals not eligible to receive program services.**
- 3. Maintain documentation to support each service billed.**

**STAFFING/CASELOAD LEVELS****Objective**

Determine whether EEDC's staffing levels are in compliance with the County contract.

**Verification**

We interviewed EEDC's staff and reviewed EEDC's timekeeping records to determine actual staffing levels, and computed the minimum staffing levels required based on the Contactor's caseload.

**Results**

We determined that the Contractor's total number of Case Managers is sufficient to comply with the County contract requirement that Case Manager to program participant ratios be no greater than 1:115. However, as noted below, five (71%) of the seven Case Managers do not possess the education/experience qualifications that the DCSS contract requires.

**Recommendation**

**There are no recommendations for this section.**

**STAFFING QUALIFICATIONS****Objective**

Determine whether EEDC's staff meets the qualifications required by the County contract.

**Verification**

We interviewed EEDC's staff and reviewed their personnel files for documentation to confirm their qualifications. The contract requires that Case Managers either possess a four-year college degree, an AA degree and two years of caseload experience, an AA degree and two years of employment counseling experience, or two years of employment counseling experience in a GAIN environment. Achievement of Junior class standing in an accredited college may be substituted for an AA degree provided other training or experience requirements are met.

**Results**

We determined that five (71%) of EEDC's seven Case Managers do not possess the qualifications required by DCSS' contract. Specifically, two Case Managers do not have either the necessary education or work experience and three do not possess the employment counseling experience that the contract requires.

The contract also requires EEDC to ensure that RITE program services are conducted in the participant's primary language. However, we noted instances in which program participants are not receiving services in their primary language. For example, a Persian speaking participant is assigned to the Sherman Oaks location. However, because the Contractor does not employ Case Managers that speak Persian at this location, the program participant receives program services in English. In addition, the Contractor conducts Job Club instruction at the Glendale location for Armenian speaking participants. However, the Job Club instructor does not speak Armenian, as a result Job Club classes are taught in English.

**Recommendations****EEDC management:**

- 4. Hire Case Managers with the education and work experience as required by DCSS' contract.**
- 5. Ensure the Case Managers are able to communicate with their participant case loads in the participants' primary language, as required by the DCSS contract.**

**SERVICE LEVELS****Objectives**

Determine whether EEDC's reported services for Fiscal Year (FY) 2003-04 significantly varied from planned services levels.

**Verification**

Review DCSS' Annual Service Level Assessment report for FY 2003-04 and EEDC's proposed services levels for the same period.

**Results**

We attempted to review EEDC's ability to achieve planned service levels. However, DCSS was unable to provide the projected service levels used to allocate funding to EEDC.

**Recommendation**

**There are no recommendations for this section.**





ECONOMIC AND EMPLOYMENT DEVELOPMENT CENTER  
*A Non-Profit Organization*

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2200 W. Valley Blvd., Unit A - Alhambra, CA 91803  
Tel: (626) 281-3792 - Fax: (626) 281-8064  
Email: eedc@aol.com

J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
500 West Temple Street, Room 525  
Los Angeles, CA 90012

February 4, 2004

Dear Mr. McCauley,

This correspondence serves as a response to the report on the contract compliance review of Economic and Employment Development Center's (EEDC) Refugee and Immigrant Training and Employment (RITE) program.

The report contains numerous factual errors and omissions with regard to individual findings. Many of the points with which EEDC takes issue were discussed in a meeting on January 15, 2004 with representatives from the Auditor-Controller's office as well as representatives from the Department of Community and Senior Services (CSS). During that meeting EEDC presented information regarding many of the findings contained in the original draft report. Upon presentation of that information and documentation, it was indicated that many of the findings would be eliminated or modified. Curiously, the report still contains many of the same findings regardless of the information presented.

It should be noted that, although the report indicates that the Auditor-Controller's office "notified DCSS of the results" of the monitoring review, CSS representatives attended and fully participated in the meeting, including offering comments and opinions about various issues and whether they considered EEDC to be out of compliance with the contract.

In addition, during that meeting there were several instances when CSS representatives provided the Auditor-Controller's office with information regarding what specific documents were required in files, including documentation on which findings of non-compliance were based. It would appear that the Auditor-Controller was not provided with that information prior to conducting the review.

In other instances during the meeting, CSS representatives disagreed with each other regarding contractual requirements and the types of documentation to be collected. This is indicative of the situation faced by RITE Service Providers since the beginning of the program in 1998. It is still extremely difficult to receive direct and conclusive instructions from CSS regarding a myriad of issues regarding to program operations, documentation requirements, and program changes. As we indicated in our meeting, RITE providers often receive Directives issued by DPSS more than a year after they have been issued.

Unfortunately, regardless of the lack of agreement on requirements placed on Contractors, the lack of ability to provide Contractors with complete and timely information, and the County's inability to update the GEARS system on a timely basis, a recommendation is being made to terminate EEDC's contract. And many points on which this recommendation is being made are based upon factors in which responsibility ultimately rested with the County.

The Auditor's findings to which EEDC is responding are as follows:

- a. *"One program participant that EEDC reported receiving full-time employment in July 2003 and one participant in August 2003 and one participant in August 2003 were already employed full-time with the same employers from five months to approximately one year prior to July 2003. In addition, one program participant that EEDC reported receiving part-time employment in July 2003, was already employed part-time with the same employer for over three years."*

[REDACTED]

This participant was employed fulltime in March 2003. The participant had also reached the 60-month time limit for TANF benefits. RITE contractors were instructed by CSS to hold all billings for post time limited (PTL) participants until they received instruction from the Department of Public Social Services (DPSS) on the methods for tracking and billing such cases. EEDC followed those instructions. The Employment Verification Letter was signed by the employer and provided to EEDC on July 16, 2003.

It is accurate to indicate that the participant was employed for a period of time prior to the month in which the placement was billed. However, the specifics regarding the dates of billing were dictated by instructions from CSS and a delay in receiving information from both CSS and DPSS. EEDC followed all instructions provided by the County.

[REDACTED]

From October 2002 to June 2003, this participant worked 32 hours per week. In July 2003, the participant increased her work hours to 40 hours per week. This increase constituted an allowable billing point. The participant's cash aid was then terminated in August 2003. Although EEDC was entitled to bill \$500.00 for a Full Time Upgrade to Self Sufficiency, EEDC only billed \$250.00 for an Upgrade of Part Time to Full Time.

Although the monitoring report indicates that EEDC incorrectly billed for an employment placement, complete review of the file would have shown the monitor that EEDC actually billed for an amount that was lower than that to which it is entitled.

[REDACTED]

This case was transferred to EEDC from El Monte-Rosemead Adult School on November 20, 2001. When the file was received at EEDC, there was no indication in the Case Notes that the client's employment had been reported or billed. The RITE contract provides a billing category for clients who are employed prior to their referral to the RITE program. EEDC billed for that paypoint, based upon the information provided in the file when it received. After a complete review of the file, this case was supposed to bill for pre-orientation full Time instead of direct full Time. It was our clerical error.

- b. *One program participant that EEDC reported receiving full-time employment was not legitimately employed at the location EEDC identified. The employer paid the participant with a business check that did not report hours worked or rate of pay. The employer also did not withhold a portion of the participant's pay for federal and State income taxes and other payroll taxes (e.g., Social Security)."*

*EEDC reported finding the program participant the full-time job at an automobile detailing business. However, the business is located in Bakersfield which requires the program participant the possibility of finding employment closer to home. In addition, EEDC authorized a transportation allowance of \$42 per month for the participant even though he was carpooling and is not entitled to receive the allowance.*

[REDACTED]

The client file contained an Employment Verification signed by the employer as well as payroll check stubs from the company. A check of the dates would indicate that the participant was employed through September 2003. The Case Manager was aware of the fact that the employer paid the participant with a business check that did not report hours worked or rate of pay. The Case Manager explained to the participant that his responsibility was to report any earned income to government agencies for tax purposes, unless he is exempt from income taxes. The Participant indicated that he understood his responsibilities in this regard and signed the *Notice of Income Tax Responsibility* on 07/10/03. This is in compliance with the process outlined by CSS for these types of cases.

After that date, EEDC was not able to contact either the participant or the employer, and would have sent the case for non-compliance. However, the County GEARS system indicated that the participant no longer received cash aid. According to procedure, the case was then set to be closed. However, EEDC was unable to close the case because the County had not yet made the required GEARS passwords available.

The Monitoring Report also indicates a concern that the participant is employed at a job 140 miles from his home. Participants are allowed to accept employment of their choice. The participant indicated to EEDC that he was carpooling and able to get to work each day. This is not out of compliance with the contract or the RITE program regulations. EEDC did commit a clerical error when entering this information into the GEARS system. Instead of indicating "carpooling" as the mode of transportation to work, "bus pass" was marked. Had EEDC not erred and marked the correct box, the amount of

transportation issued might have been higher since participants who carpool must contribute to fuel and auto expenses.

It is important to note that all documentation indicates that the participant was employed through September 2003. The monitoring occurred from October through December 2003, which means that any contact made by the County to the employer was probably conducted in November or December 2003. Many refugees are forced to accept jobs with small employers who do not have personnel departments or sophisticated payroll systems. Misinformation given out by employers over the telephone can be a regular occurrence. It is for this reason that EEDC required signed Employment Verifications and copies of paycheck stubs prior to billing. It is unfortunate that the County did not follow the same standards when conducting the audit. It is also unfortunate that EEDC is forced to defend itself for following practices dictated by the County and situations that have been created by the County.

- c. *"One program participant that EEDC reported being upgraded from part-time to full-time was never upgraded and is still working part-time. Both the participant and the employer confirmed the part-time status."*

[REDACTED]

A signed Employment Verification indicates that this participant works full-time. EEDC has required check stubs in the participant file. The case was billed according to the information contained on the Employment Verification. The paycheck stubs issued by this employer are extremely unusual and it is difficult to determine the exact rate of pay and number of hours. During the monitoring visit, County staff was equally confused by the check stubs and indicated that billing the case based on the Employment Verification was the appropriate action.

- d. *"One program participant that gained employment during the period was paid based on piecework (each piece they complete) rather than an hourly wage which does not qualify as a billable condition. The employer reports the number of hours the participant worked by dividing the gross amount earned (based on garment completed) by the current minimum wage of \$6.75 per hour. Based on the average hours the participant stated she works each week, the participant actually earned \$3.21 per hour."*

[REDACTED]

EEDC has received Employment Verifications and paycheck stubs from the participant that indicate payment is made on an hourly basis. EEDC must maintain files and documentation received by participants and employers, and submits billings based upon the documentation received. At no time did the participant indicate that they were paid on a piecework basis. During Case Management sessions with participants, EEDC instructs

participants about their rights as workers, including minimum wage requirements and suitable working conditions.

- e. *"We note 8 (29%) of the case files did not contain documentation to support the outcome reported by EEDC. For example, three of eight cases involve billing for Case Management. Case management is an outcome that EEDC is paid \$42 per month by DCSS and involves contacting participants each month to motivate and counsel them. However, the case files did not contain documentation that indicated EEDC contacted the participants to provide job counseling or information on supportive services, such as daycare, as required by the contract. The total undocumented outcomes amounted to approximately \$2,300 of the \$6,865 sampled".*

EEDC staff make every effort to ensure that all required documentation is included in each file, and to cover all required steps in case management process. For example, when a participant is referred to EEDC the following activities are conducted:

1. Staff explains the rules and regulations of the RITE program.
2. Participants accept his/her rights and responsibilities.
3. EEDC staff offers supportive services, such as transportation, ancillary, and childcare assistance to the participant.
4. EEDC staff ensures that the participant meets the County requirements, and if not, the Case Manager would follow the flow chart.
5. The Case Manager issues transportation assistance for eligible participants who are required to complete GAIN activities each month.
6. Participants are offered childcare assistance for the duration Orientation; Appraisal; Job Club; Vocational, Community, and Career Assessments and other activities required by the program.
7. Copies of all forms are given to the participant.

In addition, EEDC also had a Childcare Liaison who is co-located at EEDC site every week to answer Participants' questions regarding childcare. EEDC Case Managers always motivate and provide job counseling to participants. However, as a result of limited English or even illiteracy in their native languages, it is often difficult for Participants to find a job that pays over the minimum wage.

Although all required forms and other documentation are included in the files, it was indicated during the meeting that this was considered a finding because case management activities were not indicated in Case Notes. It is important to note that CSS has never indicated a required format for Case Notes, or guidelines for what information must be included in them. While EEDC can concede that some Case Notes are minimal, they are not out of compliance with any contract requirement. And because other documentation would indicate that required contact with the participant was conducted in order to receive the information and forms, this finding of over-billing is unsubstantiated.

- f. *"According to GEARS, 2(7%) of the 28 participants sampled were eligible to receive RITE services. GEARS generates a daily Alert Report that lists the names of existing program participants who have become ineligible to receive RITE services. EEDC staff*

*do not review the Alert Report. As a result, EEDC may have billed CSS for services provided to individuals that were not eligible to receive services. The services provided to individuals that GEARS reported as not eligible amounted to approximately \$1,000 of the \$6,865 sampled”.*

This finding is indicative of the Auditors’ unfamiliarity with the RITE Program and/or the constantly changing policies and procedures issued to RITE Providers by CSS.

The two cases in question showed an eligible status of “0” in the GEARS system on the IPRC screen, with one participant showing an A327 ineligible code, and no code was indicated for the second participant. The A327 code means that the child did not receive immunization. The second case was self-sufficiency. According to the GAIN regulations, transportation expenses are allowed up to one full year from the date CalWORKs is terminated. Therefore, these cases are still eligible to receive RITE services. It is also inappropriate for the auditor to draw a conclusion that EEDC staff does not check the Alert Reports on a regular basis. In fact, the Alert Reports, which are updated by DPSS are often as much as 9 months out-of-date. This is out of EEDC’s control. Our Case Managers do check the reports on a daily basis and act upon the information provided in them.

EEDC Case Managers always act in compliance with the policies and procedures for participants, and bill accordingly. In this case, a RITE Case Manager is instructed to contact the participant and the DPSS Eligibility Worker to determine the participant’s aid status. Often, the Eligibility Worker indicates that aid will be re-instated and RITE services should be provided. This was the case in with this participant.

- g. *“We determined that five (71%) of EEDC’s seven Case Managers do not possess the qualifications required by DCSS’ contract. Two Case Managers do not have either the necessary education or work experience. Three Case Managers do not possess the employment counseling experience that the contract requires.*

*The contract also requires EEDC to ensure that RITE program services are conducted in the participant’s primary language. However, we noted instances in which program participants are not receiving services in their primary language. For example, a Persian-speaking participant is assigned to the Sherman Oaks location. However, because the Contractor does not employ Case Managers that speak Persian at this location, the program participant receives program services in English. In addition, the Contractor conducts job Club instruction at the Glendale location for Armenian speaking participants. However, the Job Club Instructor does not speak Armenian, as a result Job Club classes are taught in English”.*

EEDC makes every attempt to employ individuals with the required qualifications, which are education and experience equivalent to those required of GAIN workers employed by the County. The finding is incorrect. Five of the seven Case Managers possess either Bachelor’s Degrees or Associate Arts Degrees earned in the United States. One Case Manager earned a degree in Viet Nam. It should also be noted that RITE Case Managers

must possess the ability to communicate verbally and in writing in numerous languages. The seventh case Manager does not have a college degree, but is fluent in Mandarin, Cantonese, Vietnamese and English. These qualifications would also meet those defined by a County Job Description.

During the meeting, County staff indicated that they did not consider degrees earned in Vietnam or at Military Academies to be valid. EEDC takes issue with this viewpoint. In addition, this requirement was not include in initial RITE contracts when our staff was hired. The requirement was added to subsequent contracts, after our staff had been working on the project for extended periods of time. However, County staff indicated that they would not consider the time worked prior to the contract requirement as work experience, and would only accept work experience achieved before the staff members came to EEDC.

With regard to the provision of services in participants' native languages, the RITE contract allows Contractors to enter into mutual agreements with other organizations to provide services or translation when needed. EEDC has made arrangements to meet those needs when necessary, and is not in violation of the contract.

All EEDC Job Club sessions are conducted in participants' native languages. During the monitoring interview, the Job Club Instructor indicated that he sometimes provided some services with English, but only when participants spoke English extremely well, and only when a particular lesson or situation called for English. For example, an activity such as a mock job interview, which requires participants to practice certain phrases or responses, would justify switching a lesson to English, only when every participant has the capacity to understand the proceedings.

It should also be noted that EEDC's billing invoices are reviewed by CSS Monitors and approved by CSS Management and the Accounting Department for accuracy and completeness of back-up documentation each month. CSS has not expressed concern regarding lack of documentation when paying those invoices.

In addition, EEDC's monthly programmatic monitoring and annual fiscal monitoring visits conducted by CSS have shown that EEDC is in compliance with our contract. In fact, the following are results of our three most recent monitoring reports:

**June 11, 2003** - *"no corrective action needed", "EEDC is currently in compliance with the RITE contract and all of the CSS requirements".*

**June 9, 2003** - *"Economic and Employment Development Center is currently in compliance with the RITE contract and all of the CSS requirements. There are no finding[s] or corrective action needed."*


**April 16, 2003** - *"Economic and Employment Development Center is currently in compliance with the RITE contract and all of the CSS requirements."*  
This was received after an initial report found one finding with regard to

placements that were made in one contract year and billed the following month, which was a new contract year. EEDC submitted a corrective action plan that was approved by CSS and the issue was resolved.

The excellent results of EEDC's monitoring visits, and the approval of our monthly invoices would indicate that EEDC is appropriately providing RITE services. Had any concerns been raised by CSS as a result of the numerous monitoring sessions or the review of invoices and documentation, EEDC would have responded swiftly and implemented any corrective action required by the County. The recommendation to terminate our contract after the many excellent reviews by the County appears to be extreme and inappropriate.

EEDC stands by our billings, will take responsibility for any clerical errors on our part and vehemently denies any mischaracterization of impropriety on the part of our agency. I am available to discuss this with each of you, and appreciate your attention to this matter.

Sincerely,

  
Phuc T. Thai  
Executive Director

Cc: Supervisor Don Knabe  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yarozlavsky  
Supervisor Michael D. Antonovich  
David E. Janssen, Chief Administrative Officer  
Department of Community and Senior Services:  
Robert Ryans, Director  
Cynthia Banks, Chief Deputy Director  
Josie Marquez, Program Director  
Violet Varona-Lukens, Executive Officer  
Public Information Office  
Audit Committee